

Air Quality Permit

Issued To:	ConocoPhillips Company	Permit: #2757-02
	P.O. Box 30198	Administrative Amendment
	Billings, MT 59107-0198	Request Received: 05/23/05
		Department Decision on Administrative
		Amendment: 06/02/05
		Permit Final: 06/18/05
		AFS #: 035-0005

An air quality permit, with conditions, is hereby granted to ConocoPhillips Company (ConocoPhillips) pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

ConocoPhillips owns and operates a crude oil tank farm located Southeast of the city of Cut Bank on Government Lot 1 in the NE¼ of Section 18, Township 33 North, Range 5 West, in Glacier County, Montana. The facility is known as the Cut Bank Crude Station.

B. Current Permit Action

A letter from ConocoPhillips dated May 20, 2005, and received by the Montana Department of Environmental Quality (Department) on May 23, 2005, notified the Department that ConocoPhillips planned to install a 120,000-barrel internal floating roof tank used to store crude oil from pipeline operations. Since the uncontrolled Potential to Emit (PTE) of the 120,000-barrel internal floating roof tank is less than 15 tons per year of any regulated pollutant the tank was added to the permit under the provisions of ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. The 120,000-barrel internal floating roof tank is considered a New Source Performance Standard (NSPS)-affected facility under 40 Code of Federal Regulations (CFR) 60, Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels. The emissions were calculated using the maximum design fill rate of 4,500 barrels per hour. In addition, Permit #2757-02 was updated to reflect current permit language and rule references used by the Department.

Section II: Limitations and Conditions

A. Emission Control Requirements:

ConocoPhillips shall install, operate, and maintain the following emission control equipment and practices to provide the maximum air pollution control for which it was designed as stated in ARM 17.8.752 and as included in Permit Application #2757-00.

1. Storage tank #1010 shall be equipped with an external floating roof plus single wiper seals with a foam log.
2. Storage tank #1020 shall be equipped with a liquid mounted internal floating roof with double wiper seals.

3. Storage tank #1030 shall be equipped with an internal floating roof with a single wiper seal.
4. Storage tank #1040 shall be equipped with an internal floating roof with double wiper seals.
5. All applicable requirements of ARM 17.8.340, which incorporates, by reference 40 CFR 60, Standards of Performance for New Stationary Sources (NSPS):
 - a. 40 CFR 60, Subpart Ka - Standards of Performance for Volatile Organic Liquid Storage Vessels shall apply to all volatile organic storage vessels (including petroleum liquid storage vessels) for which construction, reconstruction or modification commenced after May 18, 1978, and prior to July 23, 1984. This shall include, but not be limited to, storage tank #1030. These requirements shall be as specified in 60.112a, 60.113a, 60.114a, and 60.115a.
 - b. 40 CFR 60, Subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels shall apply to all volatile organic storage vessels (including petroleum liquid storage vessels) for which construction, reconstruction or modification commenced after July 23, 1984. This shall include, but not be limited to, storage tanks #1020 and #1040, and the 120,000 barrel crude oil storage tank added in Permit #2757-02. These requirements shall be as specified in 60.112b, 60.113b, 60.114b, 60.115b, 60.116b, and 60.117b.
6. ConocoPhillips shall not cause or authorize the use of any street, road, or parking lot, or the general plant area, without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
7. ConocoPhillips shall treat all unpaved portions of the access roads, parking lots, and general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precaution limitation in Section II.A.6 (ARM 17.8.749).

B. Testing Requirements:

1. ConocoPhillips shall meet the requirements of all testing and procedures as described in 40 CFR 60, Subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels, for Tank #1020 with a liquid mounted internal floating roof (IFR) and double wiper seals, including but not limited to the following:
 - a. Visually inspect the IFR, the primary seal, and the secondary seal through manholes and roof hatches on the fixed roof at least every 12 months after initial fill.
 - b. Visually inspect the IFR , the primary seal, and secondary seal, gaskets, slotted membranes and sleeve seals each time the storage vessel is emptied and degassed. These inspections shall occur at intervals no greater than 10 years, in the case of vessels conducting the annual emissions inspection.

2. ConocoPhillips shall meet the requirements of all testing and procedures as described in 40 CFR 60, Subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels, for Tank #1040 with an IFR and double wiper seals, including but not limited to the following:
 - a. Visually inspect the IFR, the primary seal, and the secondary seal and make the necessary repairs prior to filling the storage vessel with volatile organic liquid.
 - b. Visually inspect the IFR, the primary seal, and the secondary seal through manholes and roof hatches on the fixed roof at least every 12 months after initial fill.
 - c. Visually inspect the IFR, the primary seal, and secondary seal, gaskets, slotted membranes and sleeve seals each time the storage vessel is emptied and degassed. These inspections shall occur at intervals no greater than 10 years in the case of vessels conducting the annual emissions inspection.
3. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
4. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirement:

1. ConocoPhillips shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the emission inventory contained in the permit analysis. For reporting purposes, the tanks shall be identified using the tank numbers contained in the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505). In addition, ConocoPhillips shall submit the following information annually to the Department by March 1 of each year; the information may be submitted along with the annual emission inventory (ARM 17.8.505):

- a. The type of petroleum liquid stored in each tank;
- b. The true vapor pressure of the petroleum liquid stored in each tank;
- c. The annual throughput of petroleum liquids for each tank in barrels; and
- d. The number of the following fugitive VOC emission sources in service:
 - i. light liquid valves;
 - ii. heavy liquid valves;
 - iii. open-end valves;

- iv. flanges;
- v. pump seals/light liquid;
- vi. pump seals/heavy liquid;
- vii. sumps; and
- viii. oil/water separators.

For reporting purposes, the equipment should be identified using the tank numbers contained in Section I.A of the permit analysis.

- 2. ConocoPhillips shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
- 3. All records compiled in accordance with this permit must be maintained by ConocoPhillips as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

D. Additional Reporting Requirements

ConocoPhillips shall supply the Department with the reports as required by 40 CFR 60, Subpart Kb. ConocoPhillips shall supply the Department with initial and annual reports for each storage vessel in which this subpart applies. These reports shall include information described in 40 CFR 60, Subpart Kb.

E. Notification

ConocoPhillips shall provide the Department with written notification of the dates of tank inspections at least 30 days prior to the filling or refilling of each storage tank for which Section II.B of this permit requires an inspection.

Section III: General Conditions

- A. Inspection – ConocoPhillips shall allow the Department’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and the terms, conditions, and matters stated herein shall be deemed accepted if ConocoPhillips fails to appeal as indicated below.

- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving ConocoPhillips of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department’s decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department’s decision on the application is final 16 days after the Department’s decision is made.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by ConocoPhillips may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Construction Commencement – Construction must begin within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked (ARM 17.8.762).

Permit Analysis
ConocoPhillips Company.
Permit #2757-02

I. Introduction/Process Description

A. Permitted Equipment

ConocoPhillips Company (ConocoPhillips) owns and operates a crude oil tank farm located Southeast of the city of Cut Bank on Government Lot 1 in the NE¼ of Section 18, Township 33 North, Range 5 West, in Glacier County, Montana. The facility is known as the Cut Bank Crude Station and includes the following equipment:

<u>Tank #</u>	<u>Installed</u>	<u>Capacity (bbl)</u>	<u>Diameter (ft)</u>	<u>NSPS</u>
1010	1968	55,000	100	Not Applicable
1020	1986	55,000	100	Subpart Kb
1030	1980	25,000	67	Subpart Ka
1040	1993	80,000	120	Subpart Kb
	2005	120,000	134	Subpart Kb

B. Source Description

Crude oil is transferred from the Glacier pipeline system to the crude oil storage tanks (#1010, #1020, #1030, and #1040). The crude oil is then pumped back into the Glacier line for transport to refineries located in the Billings, Montana area. The Cut Bank Crude Station is utilized to provide a continuous crude oil supply to the refineries. Maximum throughput for the crude station is 4,375 barrels per hour (bbl/hr) based on the Cut Bank pipeline pump capacity. Flow rates into Cut Bank are significantly less than the Cut Bank pipeline pump capacity.

C. Permit History

On November 6, 1992, the Department of Environmental Quality (Department) received an application from Conoco, Inc. (Conoco) for the Cut Bank Crude Station. The application was assigned Permit **#2757-00** and was deemed complete on December 23, 1992. The project was developed to ensure a continuous crude oil supply to refineries located in the Billings, Montana area. The project consisted of adding an 80,000 barrel (bbl) capacity storage tank to the existing facility (two 55,000 bbl capacity tanks and a 25,000 bbl capacity tank). Permit #2757-00 became final on January 29, 1992.

On January 10, 2003, Conoco submitted a letter to the Department notifying the Department that Conoco changed their name to ConocoPhillips. In addition, ConocoPhillips requested to change the mailing address for the facility. The permit action updated the permit to reflect the name change and new mailing address. Further, the permit format and language was updated to reflect Department permit format and language. Permit **#2757-01** replaced Permit #2757-00.

D. Current Permit Action

A letter from ConocoPhillips dated May 20, 2005, and received by the Department on May 23, 2005, notified the Department that ConocoPhillips planned to install a 120,000-barrel internal floating roof tank used to store crude oil from pipeline operations. Since

the uncontrolled Potential to Emit (PTE) of the 120,000-barrel internal floating roof tank is less than 15 tons per year of any regulated pollutant the tank was added to the permit under the provisions of Administrative Rules of Montana (ARM) 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. The 120,000-barrel internal floating roof tank is considered a New Source Performance Standard (NSPS)-affected facility under 40 Code of Federal Regulations (CFR) 60, Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels. The emissions were calculated using the maximum design fill rate of 4,500 barrels per hour. In addition, Permit #2757-02 was updated to reflect current permit language and rule references used by the Department. Permit **#2757-02** will replace Permit #2757-00.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for the location of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment including instruments and sensing devices, and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

ConocoPhillips shall comply with the requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.
5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the

installation or use of any device or any means that, without resulting in reduction of the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation.

(2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Oxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Dioxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

ConocoPhillips must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, ConocoPhillips shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. This rule outlines the emission standards for hydrocarbon storage tanks, oil-effluent water separators, and gasoline loading operations and specific exemptions from this rule.
7. ARM 17.8.340 Standard of Performance for New Stationary Sources. This rule

incorporates, by reference, 40 CFR 60, NSPS. ConocoPhillips is considered an NSPS affected facility under 40 CFR 60 and is subject to NSPS Subparts including, but not limited to:

- a. Subpart A, General Provisions, applies to all equipment or facilities subject to an NSPS Subpart as listed below.
- b. Subpart Ka, Standards of Performance for Volatile Organic Liquid Storage Vessels shall apply to all volatile organic storage vessels (including petroleum liquid storage vessels) for which construction, reconstruction or modification commenced after May 18, 1978, and prior to July 23, 1984. These requirements shall be as specified in 40 CFR 60.112a, 60.113a, 60.114a, and 60.115a.
- c. Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels, shall apply to all volatile organic storage vessels (including petroleum liquid storage vessels) for which construction, reconstruction or modification commenced after July 23, 1984. These requirements shall be as specified in 40 CFR 60.110b through 60.117b.

D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. The current permit action neither adds nor alters any emitting units, and emissions from the facility will not increase. Therefore, the current permit action is an administrative action, and ConocoPhillips was not required to submit a permit application fee.
2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit (excluding an open burning permit) issued by the Department. The air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that prorate the required fee amount.

E. ARM 17.8, Subchapter 7 - Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule

requires a person to obtain an air quality permit or permit alteration to construct, alter, or use any air contaminant sources that have the PTE greater than 25 tons per year of any pollutant. ConocoPhillips has a PTE greater than 25 tons per year of Volatile Organic Compounds (VOC); therefore, an air quality permit is required.

3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. This rule requires that a permit application be submitted prior to installation, alteration or use of a source. ConocoPhillips was not required to submit an application for the current permit action because it is considered administrative.
6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving ConocoPhillips of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked

upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).

13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source since this facility is not a listed source and the facility's potential to emit is below 250 tons per year of any pollutant (excluding fugitive emissions).

G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any source having:
 - a. PTE > 100 tons/year of any pollutant;
 - b. PTE > 10 tons/year of any one Hazardous Air Pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or
 - c. PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ nonattainment area.

2. ARM 17.8.1204 Air Quality Operating Permit Program. (1) Title V of the FCAA amendments of 1990 requires that all sources, as defined in ARM 17.8.1204(1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2757-02 for ConocoPhillips, the following conclusions were made:

- a. The facility's PTE is less than 100 tons/year for any pollutant.
- b. The facility's PTE is less than 10 tons/year for and one HAP and less than 25 tons/year for all HAPs.
- c. This source is not located in a serious PM₁₀ nonattainment area.
- d. This facility is subject to current NSPS 40 CFR 60, Subpart Ka and Kb.
- e. This facility is not subject to any current NESHAP standards.
- f. This source is not a Title IV affected source, nor a solid waste combustion unit.
- g. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that the ConocoPhillips facility will be a minor source of emissions as defined under Title V. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, ConocoPhillips will be required to obtain an operating permit.

III. BACT Determination

A BACT determination is required for each new or altered source. ConocoPhillips shall install on the new or altered source the maximum air pollution control capability, which is technically practicable and economically feasible, except that the BACT shall be utilized. Because this permit action is administrative, no BACT determination was required.

IV. Emission Inventory

VOC Emissions _____ (ton/yr) (Tanks 4.0)

Storage Tank # 1010	23.48
Storage Tank # 1020	9.08
Storage Tank # 1030	12.29
Storage Tank # 1040	8.02
120,000 barrel Storage Tank	6.53
<u>Fugitive Emissions</u>	<u>2.93</u>
Total	62.33
Fugitive VOC Emissions	

<u>Source</u>	<u># of Sources</u>	<u>Factor (ton/yr/source)</u>	<u>Emissions (ton/yr)</u>
Light Liquid Valves	0	0.0685	0
Heavy Liquid Valves	148	0.0022	0.3256
Open-End Valves	0	0.0164	0
Flanges	42	0.0080	0.336
Pump Seals/Light Liquid	0	0.4769	0
Pump Seals/Heavy Liquid	11	0.2066	2.2726
Sumps	0	0.3066	0
<u>Oil/Water Separators</u>	<u>0</u>	<u>5.0000 **</u>	<u>0</u>
Total Fugitive Emissions			2.93

** (lb/10³ gal waste water)

Total Facility Emissions: 65.26 ton/yr

V. Air Quality Impacts

The maximum throughput for the crude station is 4,375 bbl/hr based on the Cut Bank pipeline pump capacity. Flow rates into Cut Bank are significantly less than the Cut Bank pipeline pump capacity and therefore actual emissions are anticipated to be substantially less than the total potential emissions of 65.26 ton/year.

In the view of the Department, the amount of controlled emissions generated by the facility will cause minimal air quality impacts. There will be no significant emissions of toxic air pollutants. The Department does not believe that this source will cause or contribute to a violation of any ambient air quality standard.

VI. Taking or Damaging Implication Analysis

As required by 2-10- 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VII. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an Environmental Assessment is not required.

Analysis prepared by: Chris Ames

Date: May 26, 2005